

286.9-040 Qualifications for license.

To qualify for a license, an applicant shall satisfy the following requirements:

- (1) The applicant shall deposit with the executive director one (1) of the following:
 - (a) An irrevocable letter of credit in the following amounts:
 1. If an applicant has only one (1) business location, the amount shall be fifty thousand dollars (\$50,000);
 2. If an applicant has two (2) to five (5) business locations, the amount shall be one hundred thousand dollars (\$100,000);
 3. If an applicant has six (6) to ten (10) business locations, the amount shall be one hundred fifty thousand dollars (\$150,000); and
 4. If an applicant has more than ten (10) business locations, the amount shall be two hundred thousand dollars (\$200,000);
 - (b) Evidence that the applicant has established an account payable to the executive director in a federally insured financial institution in this state and deposit money of the United States in an amount equal to the amount of the required letter of credit; or
 - (c) A savings certificate of a federally insured financial institution in this state for an amount payable that is equal to the amount of the required letter of credit and that is not available for withdrawal except by direct order of the executive director. Interest earned on the certificate accrues to the applicant.
- (2) The financial responsibility, financial condition, business experience, character, and general fitness of the applicant shall reasonably warrant the belief that the applicant's business will be conducted honestly, carefully, and efficiently. In determining whether this qualification has been met, the executive director may review and approve:
 - (a) The business record and the capital adequacy of the applicant;
 - (b) The competence, experience, integrity, and financial ability of any person who:
 1. Is a director, officer, supervisory employee, or five percent (5%) or more shareholder of the applicant; or
 2. Owns or controls the applicant; and
 - (c) Any record, on the part of the applicant or any person referred to in subparagraph (b)1. and 2. of:
 1. Any criminal activity;
 2. Any fraud or other act of personal dishonesty;
 3. Any act, omission, or practice which constitutes a breach of a fiduciary duty; or
 4. Any suspension or removal, by any agency or department of the United States or any state, from participation in the conduct of any business.

Effective: April 14, 1998

History: Amended 1998 Ky. Acts ch. 601, sec. 4, effective April 14, 1998. -- Created 1992 Ky. Acts ch. 213, sec. 4, effective July 14, 1992; and ch. 341, sec. 4, effective July 14, 1992.

Formerly codified as KRS 368.040.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.

Legislative Research Commission Note (7/12/2006). 2005 Ky. Acts ch. 123, relating to the creation and organization of the Environmental and Public Protection Cabinet, instructs the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in that Act. Such a correction has been made in this section.